



Federal Communications Commission
Washington, D.C. 20554

JAN 07 2002

Michael Hashemi
NCHE Telecommunications Network, Inc.
P.O. Box 7455
Fairfax Station, VA 22039

Re: Petition for Reduction of
Regulatory Fees for FY 1999
Fee Control No. 00000RROG-00-016
FCC Bill Number: 2000-9-2514

Dear Mr. Hashemi:

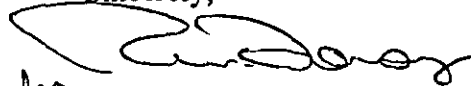
This letter is in response to your request for reconsideration of our letter dated July 24, 2001, which denied your earlier request for reduction of the assessment of \$2,341.00 in regulatory fees for Fiscal Year 1999 and the associated penalty of \$585.25 for nonpayment, submitted on behalf of NCHE Telecommunications Network, Inc.

You again state that NCHE's gross revenues for 1999 were only \$42,993.70 and that you believe that, in light of the similarity of the numbers, other information submitted to NECA showing revenues of \$4,299,770.00 is a result of a typo or mis-entry by someone along the line in the NECA reporting process.

In light of your contentions, we have again checked with NECA concerning the amount of NCHE's revenues and we have confirmed that NCHE did not have reportable revenues for 1999 of \$4,299,770.00. Under these circumstances, it appears that NCHE's regulatory fee for FY 1999 may appropriately be based on the amount of revenues reported on NCHE's FCC Form 431 (TRS Fund Worksheet). As you state, that amount was \$42,993.00, which multiplied by the factor of 0.00121, as specified in *Assessment and Collection of Regulatory Fees for Fiscal Year 1999*, 14 FCC Rcd 9868, 9939 (1999), establishes that the correct regulatory fee for 1999 is \$52.00. Pursuant to Section 1.1164 of the Commission's Rules, 47 C.F.R. § 1.1164, a 25 percent penalty, \$13.00, must be imposed for failure to pay the regulatory fee in a timely manner. Therefore, your request for reconsideration is granted to the extent reflected above, and payment of the 1999 regulatory fee and penalty in the total amount of \$65.00 is now due. This payment should be submitted together with a Form 159 (copy enclosed) within 30 days from the date of this letter.

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Reger', written over a horizontal line.Handwritten initials 'fr' in black ink, positioned to the left of the printed name.

Mark Reger
Chief Financial Officer

August 7, 2001

Mr. Mark A. Reger, CFO
Revenue & Receivable Operation Group
FCC
445 12th Street, SW
Washington, DC 20554

Re: Petition for Reduction of Regulatory Fees for FY 1999
Fee Control No. 00000RROG-00-016
FCC Bill Number: 2000-9-2514

Dear Mr. Reger:

We are in receipt of your letter of July 24, copy attached, regarding our protest of the above. The letter states "other information submitted to NECA during 1999 showed that NCHE had revenues of \$4,299,770.00." I am attaching a copy of our FCC form 431 for 1999, which states our gross revenues were \$42,993.70. Since the numbers are so similar, with the exception of the decimal, we believe the inaccurate tax assessment is based on a typo or mis-entry by someone along the line in the NECA reporting process.

We therefore continue our protest.

Sincerely,



Michael Hashemi

00000RROG-00-016

111

1999 FCC Form 431 TRS Fund Worksheet

Please read instructions before completing. Report actual amounts billed to customers and carriers during the year without subtracting uncollectibles or international settlement payments. Report revenues in whole dollars. Do not report negative amounts.

Approved by OMB
3000-0538
Avg. Est. Burden Per
Respondent: 2 Hrs.

Block 1: Carrier Identification

TRS Company Code

805653

1 Legal name of carrier

NCH TELECOMMUNICATIONS NETWORK, INC.

2 IRS employer identification number

54-1284198

3 Name carrier is doing business as

SAME

4 Principal communications business (check the one that best describes filer - see instructions)

☐ Pay Telephone Service Provider

☐ Incumbent LEC

☐ CAP/CLEC

☐ Local Reseller

☐ Other Local

☐ SMR (dispatch)

☐ Cellular/PCS/SMR (wireless telephony)

☐ Paging & Messaging

☐ Wireless Data

☐ Other Mobile

☐ IXC

☒ Toll Reseller

☐ OSP

If Other Local, Other Mobile or Other Toll is checked, describe carrier type below.

☐ Satellite

☐ Pre-paid Card

☐ Other Toll

Block 2: Carrier Revenue Data for Calendar Year 1999

Note: Please report whole dollars even if amounts are rounded

Note: Enter a figure for all revenue elements.
Enter a 0 if none.

Gross Telecommunications
Revenues
(a)

% Interstate
(b)

Interstate
Revenues
(c)

Local Services

5 Local exchange service

\$

%

6 Local private line service

\$

%

7 Mobile radio, cellular, paging & PCS

\$

%

8 Other Local

\$

%

Access Services (only includes services that local exchange carriers provide to toll carriers under access tariffs)

9 Interstate access

\$

100 %

10 Intrastate access

\$

0 %

Long Distance Services (most long distance revenue belongs on line 12)

11 Operator service, card & pay telephone

\$

%

12 Non-operator switched toll service

\$

51,182.98

84

%

42,993.70

13 Long distance private line service

\$

%

14 All other long distance

\$

%

15 Total lines 5 through 14

\$

\$

42,993.70

Block 3: Calculation of Contribution

16 Interstate Revenues from line 15 c

\$

42,993.70

17 Contribution Rate:

0.00038

18 Total CONTRIBUTION for April 1999 through March 2000: line 16 x line 17

[The minimum contribution is \$100. Do not enter less than \$100.]

\$

\$ 100.00

19 Contribution to be paid this month:

(Enter the amount from line 18 if it is less than \$1200. Otherwise, the contributor may divide the amount on line 18 by 12.0 to calculate equal monthly contributions.)

\$

100.00

Check here for monthly billing reminders

☐

20 This filing is:

☒ Original filing

☐ Revised filing

Complete page 2

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THE WORKSHEET CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE COMMUNICATIONS ACT, 47 U.S.C. 220(e)

FCC 431
March 1999

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

July 24, 2001

Mr. Michael Hashemi
NCHE Telecommunications Network, Inc.
Post Office Box 7455
Fairfax Station, VA 22039

Re: Petition for Reduction of
Regulatory Fees for FY 1999
Fee Control No. 00000RROG-00-016
FCC Bill Number: 2000-9-2514

Dear Mr. Hashemi:

This letter is in response to your request for reduction of the assessment of \$2,341.00 in regulatory fees for Fiscal Year 1999 and the associated penalty of \$585.25 for nonpayment, submitted on behalf of NCHE Telecommunications Network, Inc.

You state that NCHE is out of the long distance business, that necessary taxes have been paid through NECA/TRS and that its regulatory fees should only be about \$100.00 based on attached copies of FCC Form 431s (TRS Fund Worksheets).

The Commission has stated that common carriers, including resellers, must submit fee payments based upon their proportionate share of gross interstate revenues using the methodology adopted for calculating contributions to the TSR fund. For FY 1999, a carrier is required to multiply its adjusted gross revenue figure (gross revenue reduced by the total amount of its payments to underlying common carriers for telecommunications facilities or services) by the factor of 0.00121 to determine the appropriate regulatory fee. *Assessment and Collection of Regulatory Fees for Fiscal Year 1999*, 14 FCC Rcd 9868, 9939 (1999).

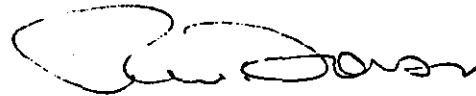
In contrast to the TRS Worksheets that you attached to your request, other information submitted to NECA during 1999 showed that NCHE had revenues of \$4,299,770.00. In the absence of photocopies of relevant tax forms that have been certified to be correct, the Commission does not have adequate documentation to modify the assessed regulatory fee of \$2,341.00 and associated penalty of \$585.25 as specified above. Accordingly, your present showing is insufficient to establish that your request for reduction of the FY 1999 regulatory fees of \$2,341.00 and the associated penalty in the amount of \$585.25 is warranted. Therefore, your request is dismissed. Payment of the 1999 regulatory fee and penalty in the total amount of \$2,926.25 is now due. This payment should be submitted together with a Form 159 (copy enclosed) within 30 days from the date of this letter. In view of your allegations, however, in lieu of payment, your request may be refiled together with appropriate supporting documentation within 30 days from the date of this letter.

Michael Hashemi

2.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operation Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger". The signature is fluid and cursive, with a large initial "M" and "R".

 Mark A. Reger
Chief Financial Officer

From: James Lande
To: John Riffer
Date: 11/6/01 5:00PM
Subject: Re: Common Carrier Reg. Fee

Very good, I didn't think to check the 431, since they were supposed to pay reg fees based on the 499 filing. Their 499 shows much less revenues than their 431 -- a contradiction I don't expect we will every resolve. Clearly the \$4,299,770 stemmed from a data entry error. (\$4,299,370 appears in the TRS data base.) We tell people to round everything to the nearest dollar, but no, they insist on reporting pennies and mistakes happen.

I assume that they should be paying regulatory fees based on \$42,994, meaning they owe less than \$100..

Since they went DOA, we will be lucky to get anything. (Our best hope is that this has to get cleared so a sale can go through.)

This e-mail is NON-PUBLIC -- FOR INTERNAL USE ONLY

>>> John Riffer 11/06/01 10:37AM >>>

FYI - In NCHE reg fee filings, there is a copy of 1999 FCC Form 431 TSR Fund Worksheet, dated 7-26-99, showing interstate revenue of \$42,993.70.

>>> James Lande 11/06/01 10:04AM >>>

very interesting,
yes, that fax is correct.
thanks

>>> "Lori Terraciano" <lterrac@neca.org> 11/06/01 09:40AM >>>

Good Morning Jim.

Lisa asked me to pull the filing for NCHE Telecommunications Network, Inc. (Filer 499 Id 805653). We do not have either number that you reference below for this company's interstate revenue for 1999. The revenue that we have is actually much lower. Please confirm your fax number 202-418-0520 and I will fax a copy of the form over to you.

Thanks,
Lori Terraciano

>>> "James Lande" <JLANDE@fcc.gov> 11/05/01 05:19PM >>>

Lisa

Can you dig out the Form 499-A filed April 2000 (containing calendar year 1999 revenue information) for #805653; NCHE Telecommunications Network. NCHE claimed that they reported interstate revenues of \$42,993.70 for 1999, but our version of the data base shows \$4,299,770 for 1999. Please let us know whether you can confirm their assertion.

I do realize that they stopped providing telecommunications services before April 1 of this year and so they don't show up in the locator.

Thanks.
Jim

From: James Lande
To: John Riffer
Date: 4/20/01 11:46AM
Subject: Re: Regulatory Fee Request

My previous memo was in error. The CCB regulatory fee factor was .00121 times adjusted gross interstate revenues. Assuming NCHE made no payments to underlying carriers, their regulatory fee obligation would have been \$52. However, all switched toll carriers make some payments to underlying carriers and it is not unusual for small resellers to have payments to underlying carriers of up to 90% of gross revenue. Thus, it is possible that the actual obligation was less than \$10, in which case NCHE was not obligated to make any reg fee payment or filing.

Any attempt to collect more than \$50 from this carrier would be a gross injustice.

>>> John Riffer 04/20/01 10:00AM >>>

I have attached our proposed response for this fee request. I would appreciate if you would take a quick look and make sure that what we are proposing to say is correct. Thanks.

>>> James Lande 04/04/01 11:42AM >>>

You have not sent me any reg fee documentation.

NCHE owed \$100 in TRS contributions in 1999 based on GROSS interstate revenue of 42,994 billed in 1998. FCC regulatory fees for 1999 would have been based on a factor times NET interstate revenue. I don't recall the factor, but I believe that it would have been about 1.1%. If NCHE's net revenue equaled their gross revenue, I think the reg fee payment would have been under \$500. However, they are a toll reseller, and the net revenue for toll resellers is usually far lower. If they filed a reg fee 159, then you should have, in your data base, the amount that they paid to underlying carriers.

My guess is that the actual amount of reg fees owed is between \$50 and \$200.

>>> John Riffer 04/04/01 09:07AM >>>

NCHE argues that its 1999 regulatory fee should be only about \$100.00, rather than the \$2341.00 claimed by OMD. If you can discern from the materials filed by NCHE what the proper fee should be, we will respond to them, making whatever adjustment, if any, that may be warranted. If the materials filed by NCHE do not provide adequate information to make any judgment about whether any reduction in the regulatory fee is warranted, we will simply dismiss their request, without prejudice to its resubmission with more detailed information. (If the latter result is warranted, any information that you can provide about what they need to submit would be very helpful).

>>> James Lande 04/03/01 04:35PM >>>

it doesn't contain enough information to draw many conclusions.

It might be fine as is.

why was there concern about this particular filing?

>>> John Riffer 04/03/01 03:50PM >>>

Last month, I left a fee request concerning NCHE Telecommunications Network, Inc., on your chair. Have you had a chance to look into that matter? Thanks.

CC: Alan Feldman; Mark Reger